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August 2, 2018

**VIA E FILING**

Jocelyn D. Boyd, Esquire  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

RE: Application of Carolina Water Service, Inc. for Approval of a Sanitary Wastewater  
Interconnection Agreement Between Carolina Water Service, Inc. and City of  
Columbia  
Docket No. 2018- -S

Dear Ms. Boyd:

Enclosed please find for filing the Application and Exhibit in connection with the above-referenced matter. By copy of this correspondence, I am also notifying the Office of Regulatory Staff.

If you have any questions, or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/mlw  
Enclosures  
cc: Nanette S. Edwards, Esquire (w/encl.)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2018-\_\_\_\_-S**

IN RE: Application of Carolina Water )  
Service, Inc. for Approval of a )  
Satellite Sewer System Agreement )  
Between Carolina Water Service, )  
Inc. and City of Columbia )

**APPLICATION FOR**  
**APPROVAL OF AGREEMENT**

Carolina Water Service, Inc. (hereinafter referred to as the “Applicant”), hereby applies to the Public Service Commission of South Carolina (hereinafter referred to as the “Commission”) for approval of a Satellite Sewer System Agreement by and between Carolina Water Service, Inc., a Delaware corporation, and City of Columbia, a political subdivision of the State of South Carolina, (hereinafter referred to as “City of Columbia”). In support of this Application, the Applicant would respectfully show unto the Commission the following:

1. Applicant is a public utility currently authorized to operate water and wastewater systems under the jurisdiction of the Commission in this State. Its corporate charter is presently on file with the Commission and an appropriate bond has been posted with same. A schedule of rates and charges for Applicant’s service has previously been authorized by the Commission Order 2018-345(A) issued May 30, 2018, in Docket No. 2017-292-WS.

2. Applicant's representatives for purposes of this Application are:

a. Legal Representative:

Scott Elliott, Esquire  
Elliott & Elliott, P.A.  
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Terreni Law Firm, LLC  
1508 Lady Street  
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3. Applicant operates a potable water production, treatment, storage, transmission and distribution system (hereinafter referred to as "water system") and a sanitary wastewater collection, treatment and effluent disposal system (hereinafter referred to as "sewer system"), which are located in and serve various parts of the state of South Carolina.

4. Applicant owns, operates and maintains a satellite sanitary sewer system as defined in S.C. Regulation 61-9.122.2 ("Satellite Sewer System") at or near the Friarsgate Subdivision in Richland County, South Carolina.

5. City of Columbia owns, operates and maintains a wastewater sewer system, which includes a wastewater collection and transmission system located in Richland County at or near the Friarsgate Subdivision.

6. The Applicant and City of Columbia have negotiated an agreement whereby City of Columbia will provide sanitary sewer treatment service to the Applicant. The Applicant will transmit wastewater collected in the Satellite Sewer System to the Columbia Sewer System for transmission to the Metro WWTP for treatment and discharge to waters of the State under the City permit. A copy of the Satellite Sewer System Agreement by and between Carolina Water Service, Inc. and City of Columbia is attached hereto as Exhibit "A." The City of Columbia shall provide conveyance to the Metro WWTP for treatment at a volumetric wholesale rate equal to the inside City rate plus 5%, which is currently an adjusted rate of \$4.14 per hundred cubic feet. The volumetric rate is subject to change based on Columbia's annual rate adjustments.

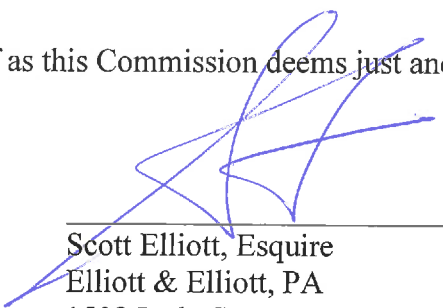
7. Upon approval of the Satellite Sewer System Agreement, the Applicant will provide collection-only sewer service to the affected customers pursuant to all of the terms, conditions, rates and charges set forth in its rate schedule as may be on file with this Commission and in effect from time to time.

8. Pursuant to the terms of the Applicant's NPDES permit, the Applicant discharges effluent into the Saluda River. Approval of the Satellite Sewer System Agreement will eliminate the discharge into the Saluda River. Accordingly, Applicant submits that the public convenience and necessity will be served by the approval of this Agreement. Applicant further submits that no hearing in this matter is required. See S.C. Code Ann §58-5-240(G).

WHEREFORE, the Applicant respectfully requests that the Commission take the following action:

- A. Approve the Satellite Sewer System Agreement;
- B. Authorize the Applicant to record these costs as utility plant in service additions, subject to review and audit by the Office of Regulatory Staff in the Company's next rate proceeding; and

C. For such other and further relief as this Commission deems just and proper.



\_\_\_\_\_  
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*Attorneys for Applicant Carolina Water  
Service, Inc.*

Columbia, South Carolina

August 2, 2018

# EXHIBIT A

Satellite Sewer System Agreement  
between  
The City of Columbia  
and  
Carolina Water Service, Inc.

## Satellite Sewer System Agreement

### Agreement between The City of Columbia and Carolina Water Service, Inc.

This Agreement is made and entered into by and between the **City of Columbia, South Carolina**, a municipal corporation organized and existing under the laws of the State of South Carolina ("Columbia") and **Carolina Water Service, Inc. ("CWS")** (hereinafter Columbia and CWS jointly referred to as the "Parties"); and,

WHEREAS, Columbia owns, operates and maintains a wastewater sewer system ("Columbia Sewer System") which includes a wastewater collection and transmission system ("Columbia WCTS") and a wastewater treatment plant located at 1200 Simon Tree Lane, Columbia, South Carolina ("Metro WWTP"). The Metro WWTP is permitted to discharge treated wastewater pursuant to NPDES Permit No. SC0020940 ("City Permit") issued by the South Carolina Department of Health and Environmental Control ("DHEC"); and

WHEREAS, CWS owns, operates and maintains a satellite sewer system as defined in S.C. Regulation 61-9.122.2 ("Satellite Sewer System") and plans to transmit wastewater collected in the Satellite Sewer System to the Columbia Sewer System for transmission to the Metro WWTP for treatment and discharge to waters of the State under the City Permit;

WHEREAS, CWS has agreed to construct and /or operate necessary improvements to connect to Columbia's Sewer System, including primary screening, flow equalization and flow metering at no expense to Columbia; and,

WHEREAS, pursuant to S.C. Regulation 61-9.403, Columbia must implement and enforce a pretreatment program to control discharges from all Industrial Users to the Metro WWTP, including Industrial Users in the Satellite Sewer System.

NOW, THEREFORE, for and in consideration of the agreements and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

### ARTICLE I SERVICES AND FEES

1. Services Provided. Columbia shall accept the discharge of domestic wastewater collected and transmitted in the Satellite Sewer System to the Columbia Sewer System for transmission to and treatment at the Metro WWTP pursuant to the terms of this Agreement. In addition to compliance with the terms and conditions of this Agreement, CWS agrees to comply with all applicable rules, policies, regulations, resolutions and ordinances of the City of Columbia in connection with this

service, including any rules, policies, regulations, resolutions and ordinances, which may, from time to time be enacted, adopted, or revised by Columbia's City Council, in the future ("City Ordinances"). CWS agrees to take reasonable measures, including termination of service, as necessary to ensure that its customers comply with the City Ordinances.

2. Fees. Columbia shall provide conveyance to the Metro WWTP for treatment at a volumetric wholesale rate equal to the inside City rate plus 5%, which is currently an adjusted rate of \$4.14 per hundred cubic feet. The volumetric rate is subject to change based on Columbia's annual rate adjustments.

## **ARTICLE II TRANSMISSION AND TREATMENT CAPACITY**

1. Capacity Assurance Program. Pursuant to the provisions of Columbia's current capacity program and the capacity certification requirements ("Capacity Assurance Program"), the following services for CWS's customers must be approved by Columbia prior to CWS's authorization to its customer for such service:

- i. All new connections, whether from new or existing customers, to the Satellite Sewer System after the Effective Date ("New Connections"); and,
- ii. Proposed additional wastewater flow from a Current Connection ("Additional Flow").

Columbia's approval of New Connections and Additional Flow is subject only to limitations of the Capacity Assurance Program and shall not be denied so long as the maximum flows from CWS do not exceed 1.2 million gallons per day, including peak flows, subject to the terms and conditions of this Agreement.

2. Treatment Capacity. In determining whether Columbia has adequate treatment capacity to approve New Connections or Additional Flow from the Satellite Sewer System, the Parties agree that Columbia will make such determination in accordance with the Capacity Assurance Program. On a monthly basis, CWS will provide Columbia with a list of all New Connections and Additional Flow within the Satellite Sewer System.

3. Collection and Transmission Capacity. In determining whether Columbia has adequate collection and transmission capacity to approve New Connections or Additional Flow from the Satellite Sewer System, the Parties agree that Columbia will make such determination in accordance with the Capacity Assurance Program. If Columbia is unable to approve a New Connection or Additional Flow in excess of 1.2 million gallons per day because of inadequate transmission capacity under the Capacity Assurance Program, Columbia will work with CWS to determine system upgrades needed to satisfy capacity requirements, the cost of which shall be borne entirely by CWS.

## **ARTICLE III**



## **MANAGEMENT, OPERATION AND MAINTENANCE**

1. Operation and Maintenance of the Columbia Sewer System. Columbia shall be solely responsible for all operating and maintenance obligations for the Columbia Sewer System and for compliance with the City Permit. Except as provided in Paragraph 3 of Article II above, Columbia shall be solely responsible for all capital improvements to the Columbia Sewer System.

2. Operation and Maintenance of the Satellite Sewer System. CWS shall be solely responsible for all operating and maintenance obligations for the Satellite Sewer System and for compliance with any permits issued by DHEC for the operation of the Satellite Sewer System. CWS shall be solely responsible for all capital improvements to the Satellite Sewer System.

3. Fats, Oils, and Grease Program ("FOG Program"). Within 180 days of the Effective Date of this Agreement, CWS shall develop and implement a FOG Program establishing uniform registration, operating, maintenance, cleaning, and inspection requirements designed to limit and control the discharge of fats, oils, and grease from Food Service Establishments (FSEs) into the Satellite Sewer System. The FOG Program shall be developed as follows:

- i. CWS shall develop a FOG Program and submit to Columbia for approval.

Columbia may audit the CWS FOG Program as it deems necessary to ensure full implementation and enforcement of the FOG Program, including, but not limited to, regular periodic inspections of all FSEs and enforcement action for violations of the CWS FOG Program requirements. CWS shall submit to Columbia on a semi-annual basis a report which provides information on implementation and enforcement of the CWS FOG Program, including the number of inspections, and new FSEs.

4. Infiltration and Inflow Control Program. CWS shall manage, operate and maintain the Satellite Sewer System so as to minimize peak flows into the Columbia Sewer System by excluding, to the maximum reasonable extent, the infiltration and inflow of surface and ground water and other extraneous flows into the Satellite Sewer System. Within 180 days of the Effective Date, CWS shall engage a third-party consultant to develop and submit for Columbia's approval the operating procedures that will be undertaken during the term of this Agreement to control, to the maximum reasonable extent, the infiltration and inflow of extraneous flows into the Satellite Sewer System ("I/I Control Program"). Upon Columbia's approval, which will not be unreasonably withheld, CWS will implement the I/I Control Program and will provide Columbia with an annual report on the actions taken by CWS to implement the I/I Control Program. Failure to implement the approved I/I Control Program shall be grounds for termination of this Agreement pursuant to Paragraph 5 of Article VI below.

5. Peak Flow Limitations. Where Columbia reasonably determines that flows originating or transmitted through the Satellite Sewer System to the Columbia Sewer System are or can reasonably be expected to cause or contribute to (1) a sanitary sewer overflow in the Columbia

Sewer System, (2) a condition resulting in flows exceeding the pumping capacity of a Columbia Sewer System pump station, and/or (3) a violation of the City Permit, Columbia may impose peak flow limitations upon the Satellite Sewer System as Columbia determines are reasonably necessary to avoid such condition and shall provide CWS reasonable notice of such request including emergency situations. Upon receipt of such notice, the parties shall work together to manage any requested limitation on flows below the 1.2 million gallons per day limitation. The daily flow shall be equalized by CWS and conveyed following equalization. The daily flow to the Columbia Sewer System shall not exceed 1.2 million gallons per day including peak flows.

6. DHEC Permits. The Parties acknowledge and agree that this Agreement does not impute to Columbia the responsibility for enforcement of any DHEC permit issued to CWS or for management and oversight of the Satellite Sewer System, and by entering into this Agreement, Columbia assumes no liability for CWS failure to operate and maintain the Satellite Sewer System in compliance with any permit issued to CWS by DHEC or any other governmental authority for operation of the Satellite Sewer System.

#### **ARTICLE IV FLOW METERING**

1. Flow Meters. CWS shall be solely responsible for the installation of flow meters required under this agreement. The installation shall be in accordance with City specifications and is subject to approval of the City. Upon approval of the installation, City shall assume responsibility for operation and maintenance of the flow meter.

2. Calibration. At least once per calendar year, the metering stations as provided for in Paragraph 1 of this Article shall be calibrated both hydraulically and electronically by a qualified third-party entity engaged by Columbia. Calibration of the metering stations shall be at the sole expense of Columbia.

3. Reporting. Columbia agrees to make available all flow metering data to CWS within thirty (30) calendar days of CWS's request.

#### **ARTICLE V PRETREATMENT**

1. Industrial Users within Satellite Sewer System. Any Industrial User (as defined by S.C. Regulation 61-9.403.3) within the service area boundaries of CWS must have a permit from Columbia prior to discharge of any industrial wastewater into the Satellite Sewer System. Before an Industrial User located within the service area boundaries of CWS is approved to discharge into the Satellite Sewer System, the Industrial User will submit to Columbia an application for a permit to discharge industrial wastewater in accordance with the Columbia Ordinance. As a condition of the permit, Columbia and the Industrial User must enter into a contract pursuant to which the Industrial User subjects itself to any enforcement action available to Columbia under the Columbia Ordinance

and the Industrial User accepts the jurisdiction of the South Carolina Court of Common Pleas for the purposes of enforcing the Columbia Ordinance and agrees to comply with any order of that court to comply with the contract or pay penalties for the violation thereof.

## **ARTICLE VI TERM, MODIFICATION, AND TERMINATION**

1. Term. This Agreement shall be effective as of the Effective Date and shall continue in full force and effect for a period of twenty-five (25) years unless sooner terminated pursuant to Paragraph 5 of this Article (the "Term"). This Agreement may be renewed for two ten-year renewal terms subject to mutual agreement by the parties.

2. Modification. This Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing and executed by the Parties. The failure of either Party to enforce any of the provisions of this Agreement or the waiver therefore, in any instance, shall not be construed as a general waiver or relinquishment of its part of any such provision but the same shall, nevertheless, be and remain in force and effect.

3. Periodic Review. The Parties will review and modify this Agreement to ensure compliance with the Federal Clean Water Act (42 U.S.C. §1251 et seq.) and rules and regulations (see 40 CFR Part 403) issued thereunder, as necessary, but at least once every three (3) years on a date to be determined by the Parties.

4. Default and Remedies. The following is an "event of default" under this Agreement: Failure by Columbia or CWS, respectively, to perform any of the material terms, conditions, or obligations of Columbia or CWS, respectively, hereunder, which failure shall continue for a period of thirty (30) days after written notice from Columbia or CWS, as appropriate, specifying such failure and requesting that it be remedied.

Whenever an event of default has occurred, Columbia or CWS, respectively, shall provide the other party with notice and a reasonable period of time to cure, and the Parties shall have the right to take either or both of the following remedial actions:

(a) Terminate the Agreement pursuant to Paragraph 5 or 6 hereunder.

(b) Take whatever action at law or in equity that may appear necessary or desirable to collect the other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the other party under this Agreement.

In addition to the remedies provided in (a) and (b) hereunder, CWS's failure to comply with Articles III and V of this Agreement shall be a violation of the City Ordinances, and Columbia may also impose civil penalties not to exceed \$500 per day for each such violation.

No remedy conferred on or reserved to Columbia or CWS under this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and is in addition to every other lawful remedy now or hereafter existing. No delay or omission to exercise any right or power accruing on any continuing event of default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

5. Termination of Agreement. In the event that conditions constituting breach (es) of Articles III and V of this Agreement continue without cure being timely made as provided pursuant to Paragraph 4 of this Article, Columbia may:

(a) Request that CWS submit a corrective action plan requiring compliance with this Agreement in an expeditious manner which, if approved by Columbia, the completion of which is deemed to be a material term and condition of this Agreement.

(b) Provide written notice to CWS providing for phasing out the terms of this Agreement within two (2) years after the date of the initial notice of breach provided.

(c) Columbia may terminate this Agreement by providing thirty (30) days written notice to CWS upon receipt of which the parties shall work together to prepare a plan for termination of service under this Agreement. Except for remedies allowed under Paragraph 4 of this Article, all benefits and obligations under this Agreement will cease following thirty (30) days from completion of the agreed upon plan.

6. CWS may terminate this Agreement upon one hundred eighty (180) days' notice to Columbia pursuant to the notice provisions in Article VII.

7. Subject to Regulatory Approval. The effectiveness of this Agreement shall be conditioned upon approval by the South Carolina Public Service Commission and any other required regulatory or governmental approvals. Columbia shall support CWS's efforts and application to obtain such approvals and understands and agrees that CWS must have such approvals of this agreement and all payments to be made by CWS under this Agreement.

## **ARTICLE VII MISCELLANEOUS**

1. Entire Agreement. This Agreement constitutes the complete and final expression of the agreement of the Parties relating Columbia's transmission, treatment, and discharge of wastewater from the Satellite Sewer System and supersedes all other agreements, whether verbal or written, between Columbia and CWS related in any manner to the obligations of the Parties under this Agreement.

2. **Binding Effect.** This Agreement shall be binding upon and insure to the benefit of the Parties, their successors and assigns.

3. **Severability.** The Parties agree that the various provisions of this Agreement are severable and that, if any single clause or any portion thereof be found invalid, illegal, or unenforceable by a court of competent jurisdiction, only that part will be severed from this Agreement, and the remaining provisions shall continue in force in accordance with the tenor of this Agreement.

4. **Counterparts and Facsimiles.** This Agreement may be executed in as many counterparts as may be required, and facsimile or electronic PDF copies of signatures shall be an effective and binding indication of a Party's commitment to and acceptance of the terms hereof.

5. **Choice of Law.** This Agreement shall be construed under the laws of the State of South Carolina.





6. **Headings.** The headings used in this Agreement are for convenience only and do not impart any substantive significance in the interpretation of this Agreement.

7. **Notices.** Any and all notices required or permitted hereunder shall be in writing and shall be deemed to be given when hand-delivered, sent by Federal Express, or upon receipt after mailing when mailed by certified mail return receipt requested, postage prepaid, addressed to the party for whom it is intended, as follows:


As to City:	Attention: City Manager Post Office Box 147 Columbia, SC 29217	As to Owner:	Carolina Water Service
With a copy to:		With a copy to:	

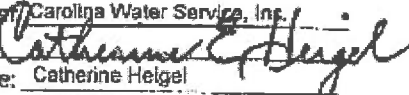
IN WITNESS WHEREOF, the Parties hereto each of who being duly authorized have set their hands and seals to be effective as of the date of the last signature hereinbelow.

WITNESSES:


  
  
  


City of Columbia

BY:   
Teresa B. Wilson  
ITS: City Manager  
Date: 7/30/2018

Owner: Carolina Water Service, Inc.  
BY:   
Name: Catherine Helgel  
ITS: President  
Date: 7/19/2018

APPROVED AS TO FORM

  
7-9-2018  
City of Columbia, SC

## CERTIFICATE OF SERVICE

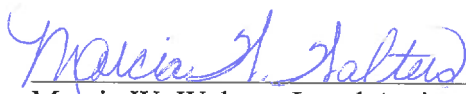
The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Carolina Water Service, Inc. for Approval of  
a Sanitary Wastewater Interconnection Agreement Between  
Carolina Water Service, Inc. and City of Columbia  
Docket No. 2018- -S

PARTIES SERVED: Nanette S. Edwards, Esquire  
Executive Director  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

PLEADINGS: APPLICATION FOR APPROVAL  
OF AGREEMENT

August 2, 2018



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